



# CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt a resolution authorizing the City Manager to provide funding for the following Public Benefit Programs: Valley Industries Lighting Retrofit/Demand-side Management Project (\$39,794.00), and Right Way/Old Farmers & Merchants Bank building Demand-side Management Project (\$7,619.83) (EUD)

**MEETING DATE:** October 16, 2002

**PREPARED BY:** Electric Utility Director

**RECOMMENDED ACTION:** That the City Council adopt a resolution authorizing the City Manager to provide funding for the following Public Benefit Programs: Valley Industries Lighting Retrofit/Demand-side Management Project (\$39,794.00), and Right Way/Old Farmers & Merchants Bank building Demand-side Management Project (\$7,619.83).

**BACKGROUND INFORMATION:** Project One: Valley Industries, located at 1313 S. Stockton Street, has embarked upon one of the largest lighting retrofits since the inception of Lodi's Public Benefits Program in mid-1998. The lighting retrofit is in two phases, the first of which is now complete, and the second phase is slated for installation by November of this year.

Specifically, Valley Industries is removing all existing lighting from the manufacturing plant (nearly 86,000 square feet of space) in 2002, and replacing the aging, inefficient lighting with the following high efficiency product:

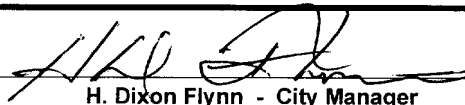
- three-hundred (300) 400-watt pulse start metal halide lamps/fixtures with mirrored-reflectors and sealed refractors; and
- Valley Industries is removing the some 350 eight-foot T-12 fluorescent lamps and magnetic ballasts, which are scattered throughout the facility.

The high efficiency lighting will reduce energy consumption by a minimum of 10 percent annually (this figure is based upon current and future run-time of the various lights inside the manufacturing plant, and the price of electricity supplied to the site). The Public Benefits Program grant in the amount of \$39,794.00 reflects the standard 20 percent rebate for demand-side management projects, including lighting retrofits, provided to commercial and industrial customers.

Project Two: In an effort to reduce energy consumption and to remove an aging, inefficient chilled water loop HVAC (heating & cooling) system, Right Way Incorporated embarked upon a significant demand-side management project at the Old Farmers & Merchants Bank building (located at 104 North School Street). The project, now complete, consisted of the following:

- removal and disposal of the existing HVAC system;
- purchase and installation of one (1) 10-ton 10.8 Energy Efficiency Rated (EER) heating and cooling unit;
- purchase and installation of one (1) 20-ton 9.9. Energy Efficiency Rated (EER) heating and cooling unit; and
- purchase and installation of related materials, including programmable thermostats and piping insulation.

**APPROVED:** \_\_\_\_\_

  
H. Dixon Flynn - City Manager



# CITY OF LODI

## COUNCIL COMMUNICATION

The two new HVAC units, based upon the energy efficiency ratings, will reduce overall energy consumption by approximately 15 percent, while also eliminating waste water (the previous HVAC system utilized chilled and heated water to condition the building; the used water was then discharged into the city waste water system, with little to no water recovery process in place).

The City of Lodi Electric Utility respectfully recommends approval of these two demand-side management projects, as qualifying components of the City of Lodi Public Benefits Program.

**FUNDING:** 164605 - Public Benefits Program (Category: Demand-side Management)

Funding Approval:

*Vicky McAthie for*  
Vicky McAthie, Finance Director

A handwritten signature of Alan N. Vallow in black ink.

Alan N. Vallow  
Electric Utility Director

**PREPARED BY:** Rob Lechner, Manager of Customer Programs

ANV/RL/lst

C: City Attorney

**APPROVED:** \_\_\_\_\_  
H. Dixon Flynn - City Manager

RESOLUTION NO. 2002-206

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING  
THE CITY MANAGER TO PROVIDE A PUBLIC BENEFITS  
PROGRAM GRANT TO FUND THE VALLEY INDUSTRIES  
LIGHTING RETROFIT/DEMAND-SIDE MANAGEMENT PROJECT

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WHEREAS, the state has mandated that beginning January 1, 1998, the City of Lodi is obligated to fund various programs through a Public Benefits Charge (PBC) based on a historical electric revenue requirement; and

WHEREAS, the requirement amounts to approximately \$1M per year that must be dedicated to qualifying programs such as energy efficiency. A further stipulation is that these efforts must be done on the customer's side of the meter in order to qualify; and

WHEREAS, the City of Lodi's Public Benefits Program is comprised of four segments or customer groups: commercial/industrial, residential, community/non-profit, and municipal; and

WHEREAS, Valley Industries, located at 1313 S. Stockton Street, has embarked upon one of the largest lighting retrofits since the inception of Lodi's Public Benefits Program in mid-1998. The lighting retrofit is in two phases, the first of which is now complete, and the second phase is slated for installation by November of this year; and

WHEREAS, specifically, Valley Industries is removing all existing lighting from the manufacturing plant (nearly 86,000 square feet of space) in 2002, and replacing the aging, inefficient lighting with the following high efficiency product:

- three-hundred (300) 400-watt pulse start metal halide lamps/fixtures with mirrored-reflectors and sealed refractors; and
- Valley Industries is removing the some 350 eight-foot T-12 fluorescent lamps and magnetic ballasts, which are scattered throughout the facility; and

WHEREAS, the high efficiency lighting will reduce energy consumption by a minimum of 10 percent annually (this figure is based upon current and future run-time of the various lights inside the manufacturing plant, and the price of electricity supplied to the site). The Public Benefits Program grant in the amount of \$39,794.00 reflects the standard 20 percent rebate for demand-side management projects, including lighting retrofits, provided to commercial and industrial customers; and

WHEREAS, the Electric Utility staff recommends approval of this grant as an approved element of the City of Lodi Public Benefits Program.

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council hereby authorizes the City Manager to provide a Public Benefits Program Grant in the amount of \$39,794.00 to fund the Valley Industries Lighting Retrofit/Demand Side Management Project.

Dated: October 16, 2002

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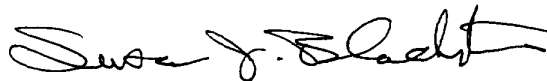
I hereby certify that Resolution No. 2002-206 was passed and adopted by the City Council of the City of Lodi in a regular meeting held October 16, 2002, by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Howard, Land, Nakanishi, and Mayor Pennino

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

A handwritten signature in black ink, appearing to read "Susan J. Blackston", with a stylized flourish at the end.

SUSAN J. BLACKSTON  
City Clerk

RESOLUTION NO. 2002-207

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING  
THE CITY MANAGER TO PROVIDE A PUBLIC BENEFITS  
PROGRAM GRANT – DEMAND-SIDE MANAGEMENT PROJECT  
TO RIGHT WAY INCORPORATED FOR WORK PERFORMED AT  
THE OLD FARMERS & MERCHANTS BANK BUILDING

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WHEREAS, the state has mandated that beginning January 1, 1998, the City of Lodi is obligated to fund various programs through a Public Benefits Charge (PBC) based on a historical electric revenue requirement; and

WHEREAS, the requirement amounts to approximately \$1M per year that must be dedicated to qualifying programs such as energy efficiency. A further stipulation is that these efforts must be done on the customer's side of the meter in order to qualify; and

WHEREAS, the City of Lodi's Public Benefits Program is comprised of four segments or customer groups: commercial/industrial, residential, community/non-profit, and municipal; and

WHEREAS, in an effort to reduce energy consumption and to remove an aging, inefficient chilled water loop HVAC system, Right Way Incorporated embarked upon a significant demand-side management project at the Old Farmers & Merchants Bank building (located at 104 North School Street). The project, now complete, consisted of the following:

- removal and disposal of the existing HVAC (heating, ventilation & air conditioning) system;
- purchase and installation of one (1) 10-ton, 10.8 Energy Efficiency Rated (EER) heating and cooling unit;
- purchase and installation of one (1) 20-ton, 9.9 Energy Efficiency Rated (EER) heating and cooling unit; and
- purchase and installation of related materials, including programmable thermostats and piping insulation.

WHEREAS, the two new HVAC units, based upon the energy efficiency rating, will reduce overall energy consumption by approximately 15 percent, while also eliminating waste water (the previous HVAC system utilized chilled and warm water to heat and cool the building; the used water was discharged into the city waste water system, with little to no recovery process in place); and

WHEREAS, the Electric Utility staff recommends approval of this grant as an approved element of the City of Lodi Public Benefits Program.

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council hereby authorizes the City Manager to provide a Public Benefits Program Grant – demand-side management project to Right Way Incorporated for work performed at the Old Farmers & Merchants Bank Building, in the amount \$7,619.83.

Dated: October 16, 2002

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I hereby certify that Resolution No. 2002-207 was passed and adopted by the City Council of the City of Lodi in a regular meeting held October 16, 2002, by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Howard, Land, Nakanishi, and Mayor Pennino

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON  
City Clerk